

**DEPARTMENT OF SOCIAL SERVICES**

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August 31, 1979

ALL-COUNTY LETTER NO. 79-58

• TO: ALL COUNTY WELFARE DIRECTORS  
CIVIL RIGHTS COORDINATORS

SUBJECT: CIVIL RIGHTS REQUIREMENTS UNDER FOOD STAMP ACT OF 1977.

REFERENCE: MPP DIVISION 21

As you are aware, some significant changes have recently been implemented in the Food Stamp Program under the new Food and Nutrition Services (FNS) regulations implementing the Food Stamp Act of 1977. Included in the regulations are several new requirements pertaining to the Civil Rights Program, particularly in the area of bilingual services and discrimination complaints. A copy of the relevant sections of the regulations is attached.

The Civil Rights Bureau is in the process of revising Division 21 to incorporate requirements of the Food Stamp Act, to reflect other changes in the overall program, and to clarify some ambiguities. The proposed Division 21 changes will be distributed for review and discussed in public hearing as prescribed by the State regulation process.

Division 21, as it now stands, is basically in compliance with the new food stamp regulations. However, certain areas need to be clarified and/or explained to encompass requirements contained therein.

The purpose of this letter is to provide clarification of the Food Stamp Act's effect on the Civil Rights Program as presently administered in the counties.

Following are the civil rights requirements as stated in the new regulations, with an explanation of how they will be incorporated into Division 21 and implemented by the counties.

Discrimination Complaints (Section 272.7)

The FNS regulations state that individuals who believe they have been discriminated against may file a written complaint with either the local agency (county or state) or directly with the U.S. Department of Agriculture (USDA).

Currently, Division 21 extends the right to an individual to file a complaint with the local agency or directly with DHEW. The revision to Division 21 merely adds the USDA as an avenue of appeal, if the complaint involves food stamps.

The FNS regulations require that copies of reports of investigations of discrimination complaints be submitted directly to USDA. Division 21 requires the counties to submit such reports to the Civil Rights Bureau. The Civil Rights Bureau will be responsible for any investigation reports to be submitted to USDA.

#### Bilingual Services (Section 272.4(c))

The FNS regulations require that district offices serving 100 or more "single-language minority low-income households" have the capability to provide services in that language. Division 21 requires that bilingual services be provided in any situation where there is a need, regardless of the size of the non-English speaking population. In addition, Division 21 requires a proportionate number of bilingual employees in public contact positions in each district office when the number of non-English speaking caseload exceeds five percent. The current regulations meet or exceed the FNS requirements.

The FNS regulations require the provision of outreach and certification materials in languages other than English where the need is substantial. According to an agreement with FNS, they will provide the translation of federal forms and materials.

Division 21 encourages, but does not specifically require, the translation of forms or materials. However, under state law (Dymally-Alatorre), state-mandated forms and materials are available in Spanish. Thus, the only change involves the use of non-English food stamp forms and materials when appropriate.

#### Ethnic Origin Information (Section 272.6(f)(1) and 272.7(g))

The FNS regulations require that ethnic origin information on food stamp households be collected and reported to FNS. Each county is currently collecting and reporting ethnic origin/primary language information on the ABCD 350 and submitting the information to DSS semiannually. Since a copy of the ABCD 350 can be forwarded to FNS by the Civil Rights Bureau, there is no change anticipated in the current procedure.

#### Public Information (Section 272.7(f))

The FNS regulations require agencies to provide written information, such as pamphlets and brochures, to applicants. This information shall contain the procedures for filing a discrimination complaint, the rights of the participant and the agency's nondiscrimination policies. Division 21.107 already requires the dissemination of information and places responsibility on the local agency to ensure that all applicants are provided with such information.

The FNS regulations add age and handicap to the ground of discrimination. Handicap has been incorporated into Division 21. Age will be added with the next revision; however, detailed instruction on what constitutes age discrimination has not been formalized at the federal level. Therefore, it will be treated in the same manner as the other civil rights jurisdictions.

In summary, although the above requirements should not have a significant impact on the current operation of the Civil Rights Program at the county level, it is important that all counties be aware of them. If you have any questions regarding the requirements, please notify the Civil Rights Bureau at (916) 322-4134.

Sincerely,



R. E. REICH  
Deputy Director  
Administration Division

Attach.

cc: CWDA  
R. E. Mellinger

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lockout, and their facilities, may not be used in the certification process except as a source of verification for information supplied by the applicant. Only authorized employees of the State agency, coupon issuers, coupon bulk storage points, and Federal employees involved in administration of the program shall be permitted access to food coupons, ATP's, or other issuance documents.

(b) *Staffing standards.* The State agency shall employ sufficient staff to certify and issue benefits accurately to eligible households, and process fair hearing requests, within the timeliness standards set forth in these regulations. Outreach activities and other program functions shall be performed as specified in these regulations.

(c) *Bilingual requirements.* (1) Based on the estimated total number of low-income households in a project area which speak the same non-English language (a single-language minority), the State agency shall provide bilingual outreach and certification materials, and staff or interpreters as specified in paragraphs (c) (2) and (3) of this section. Single-language minority refers to households which speak the same non-English language and which do not contain adult(s) fluent in English as a second language.

(2) The State agency shall provide outreach materials in the appropriate language(s) as follows:

(i) In project areas with less than 2,000 low-income households, if approximately 100 or more of those households are of a single-language minority;

(ii) In project areas with 2,000 or more low-income households, if approximately 5 percent or more of those households are of a single-language minority; and

(iii) In project areas with a certification office that provides bilingual service as required in paragraph (c)(3) of this section.

(3) The State agency shall provide both certification materials in the appropriate language(s) and bilingual staff or interpreters as follows:

(i) In each individual certification office that provides service to approximately 100 single-language minority low-income households; and

(ii) In each project area with a total of less than 100 low-income households if a majority of those households are of a single-language minority.

(A) Certification materials shall include the food stamp application form, change report form and notices to households.

(B) If notices are required in only one language other than English, notices may be printed in English on one side and in the other language on the reverse side. If the certification office

is required to use several languages, the notice may be printed in English and may contain statements in other languages summarizing the purpose of the notice and the telephone number to call for more information. For example, a notice of eligibility could in the appropriate language(s) state: "Your application for food stamps has been approved in the amount stated above. If you need more information telephone \_\_\_\_\_."

(4) In project areas with a seasonal influx of non-English-speaking households, the State agency shall provide bilingual materials and staff or interpreters, if during the seasonal influx the number of single-language minority low-income households which move into the area meets or exceeds the requirements in paragraphs (c) (2) and (3) of this section.

(5) The State agency shall insure that certification offices subject to the requirements of paragraph (c) (3) or (4) of this section provide sufficient bilingual staff or interpreters for the timely processing of non-English-speaking applicants.

(6) The State agency shall develop estimates of the number of low-income single-language minority households, both participating and not participating in the program, for each project area and certification office by using census data (including the Census Bureau's Current Population Report: Population Estimates and Projections, Series P-25, No. 627) and knowledge of project areas and areas serviced by certification offices. Local Bureau of Census offices, Community Services Administration offices, community action agencies, planning agencies, migrant service organizations, and school officials may be important sources of information in determining the need for bilingual service. If these information sources do not provide sufficient information for the State agency to determine if there is a need for bilingual staff or interpreters, each certification office shall, for a 6-month period, record the total number of single-language minority households that visit the office to make inquiries about the program, file a new application for benefits, or be recertified. Those certification offices that are contacted by a total of over 100 single-language minority households in the 6-month period shall be required to provide bilingual staff or interpreters. State agencies shall also combine the figures collected in each certification office to determine the need for bilingual outreach materials in each project area.

(d) *Internal Controls.* (1) *Requirements.* In order to safeguard certification and issuance records from unauthorized creation or tampering, the State agency shall establish an organi-

zational structure which divides responsibility for eligibility determinations and coupon issuance among certification, data management, and finance units. The certification unit shall be responsible for the determination of household eligibility and the creation of records and documents to authorize the issuance of coupons to eligible households. The data management unit, in response to input from the certification unit, shall create and maintain the household issuance record (HIR) master file on computer discs, tapes, or similar memory devices. The issuance unit shall provide certified households with the authorized allotments. In cases where personnel are periodically, or on a part-time basis, shifted from one unit to another, supervisory control should be sufficient to assure that unauthorized creation or modification of case records is not possible.

(2) *Exceptions.* With prior written FNS approval, a project area may combine unit responsibilities if the controls specified in paragraph (d) of this section have been found to be administratively infeasible.

(i) To receive approval of combined operations, the State agency shall establish special review requirements which at a minimum include:

(A) Biweekly reconciliation and verification of transactions; and

(B) Semiannual comparison of FIM cards and case records as required by § 274.6(d) and, at least once every other month, second-party review of certification actions.

(ii) The State agency shall annually determine whether each combined operation continues to be justified and shall so advise FNS in writing.

(e) *Training.* The State agency shall institute a continuing training program for food stamp eligibility workers, hearing officials, performance reporting system reviewers, and for outreach staff, including hotline operators and individuals involved in pre-screening activities.

(1) *Minimum requirements.* (i) The State agency shall designate a full-time State food stamp training coordinator responsible for the conduct and evaluation of the food stamp training program, including the development of training materials, supervising the conduct of training sessions, insuring that appropriate personnel receive training and assuring compliance with the public participation standards specified in paragraph (e)(1)(iv) of this section. In addition, the State agency shall designate additional staff at either the State or local level to provide training to the appropriate personnel. FNS may provide a waiver from the requirement for a full-time position if the State agency can demonstrate that because of a lim-

load the full-time services of a coordinator are not necessary if the State agency otherwise has the capability of fulfilling the requirements of this section.

State agency training programs cover eligibility criteria, certification procedures, household rights and responsibilities including nondiscrimination rights, and other job-related responsibilities concerning the certification process. The content of training shall be reviewed on a semi-annual basis in light of program developments identified through the State performance reporting system and modifications shall be made where warranted. Changes in procedures or revisions to legislation shall be promptly reflected in State training programs.

Employees assigned responsibility for the certification of households shall be provided with sufficient training prior to initially assuming their duties. As needed, formal training shall be provided periodically to all certification staff. The need shall be identified by policy changes and performance deficiencies identified by the performance reporting system. Inadequate performance by individual employees may also indicate the need for training.

The State agency shall allow attendance at formal certification training sessions that are conducted on a statewide, citywide, or regional (multipoint area) basis. Public assistance at these training sessions shall be allowed for 5 percent of the attendance at the session, or five slots, whichever number is less, except that public assistance shall not be provided at sessions conducted for fewer than 20 persons. The State agency shall invite individuals from the State who represent recipients or organizations working on behalf of recipients, who are knowledgeable about program eligibility and certification requirements, who are actively engaged in work related to food stamp certification rules. The State shall not exclude arbitrarily individuals who otherwise meet these requirements to disagreements between individuals and the State agency. The State agency may limit the number of public participants to observe only.

Training shall also be provided to outreach workers, including telephone operators, and to receptionists and others who prescreen or provide other information services to the public. Although training need not be as comprehensive as that for certification personnel,

it shall be in sufficient detail and frequency to insure that low-income households have access to accurate program information and that prescreening, when conducted, is accurate.

(vi) Training shall also be provided to volunteers and to the staff of other organizations and agencies that the State agency uses for outreach, prescreening, and providing program information. The training shall be in sufficient detail and frequency to insure that information provided to low-income households is accurate.

(vii) State agency hearing officials and performance reporting system reviewers, including quality control reviewers, shall be provided with sufficient training prior to initially assuming their duties. This training shall include a detailed and comprehensive study of the regulations and State agency hearing or performance reporting procedures, as appropriate. As needed, formal training also shall be provided periodically to hearing officials and reviewers. The need shall be established by policy changes, and program deficiencies indicated by the performance reporting system. Inadequate performance by an individual employee may also indicate the need for training.

(2) *FNS review.* (i) FNS will review and approve State agency procedures for training.

(ii) FNS will review the effectiveness of State agency training based on information obtained from the performance reporting system and other sources.

(3) *Training for the transition.* The State agency shall provide training on all the eligibility criteria and certification procedures, including the processing standards, to eligibility workers and supervisors before they begin to certify households under these regulations. The requirements for public participation in training sessions, as set forth in paragraph (e)(1)(iv) of this section, shall be implemented with these training sessions. The State agency shall also provide training to hearing officials and quality control reviewers prior to their assuming duties under these regulations. The State agency shall, during conversion to the new rules provide training promptly where program reviews indicate that training is needed to ensure the accurate implementation of these regulations.

§ 272.5 Locations and hours of certification and issuance service. [Reserved]

§ 272.6 Outreach.

(a) *General purpose.* [Reserved]

(b) *Minimum requirements.* [Reserved]

(c) *Staff.* [Reserved]

(d) *Monitoring.* [Reserved]

(e) *Outreach plan.* The State agency shall submit the FNS for approval an outreach plan for the period January through September 1979. At a minimum, the plan shall describe outreach efforts required by paragraph (f) of this section and efforts required by existing outreach regulations and FNS(FS) Instruction 732-6, Revision 1. In approving this plan, FNS may waive certain requirements of FNS(FS) Instruction 732-6, Revision 1, where they duplicate the transition requirements of paragraph (f) of this section.

(f) *Minimum requirements for the transition.* State agencies shall conduct the following special transition activities to inform low-income households about the program changes required by these regulations.

(1) *Printed information.* (i) *Notices.* Notices explaining the program changes shall be available at all food stamp certification offices and shall also be provided to each certified household on at least a one-time basis. State agencies may use two separate notices to describe elimination of the purchase requirement (EPR) and the financial eligibility requirements or the notices may be combined into one. However the notice or notices must clearly describe EPR and the new financial eligibility requirements, and the timing of each. The notices may be mailed separately or with the ATP or may be otherwise given to each household. In addition, similar notices shall be provided to all recipients of public assistance. These notices shall be provided according to the same schedule as the notices to food stamp households and shall also be available at all public assistance offices. State agencies that currently provide program materials in languages other than English shall provide these notices in that language(s). Notices shall be mailed or made otherwise available at least 1 week prior to elimination of the purchase requirement or the implementation of the new eligibility requirements depending on whether combined or separate notices are used and shall continue to be available at least until the other printed materials required by paragraph (f)(1)(ii) of this section are distributed.

(ii) *Other printed materials.* State agencies shall also provide clearly written information, such as brochures or pamphlets, that describe basic financial and nonfinancial eligibility criteria, EPR, the application process and participant rights and responsibilities. This written information shall be distributed at food stamp certification offices, public assistance and general assistance offices and shall be made available to local social security offices, State employment ser-

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vice offices, and local offices that administer unemployment compensation programs. State agencies shall contact those offices to enlist their cooperation in distributing the written information.

These other printed materials shall be available at least 1 week prior to the implementation of the new eligibility criteria as described in part 273.

(2) *Other publicity efforts.* Beginning at least 1 week prior to the elimination of the purchase requirement, State agencies shall publicize program changes through use of press releases issued in each project area and radio spots. State agencies are also encouraged to use TV spots to alert low-income households to these changes.

(3) *Hotlines.* State agencies shall operate toll-free hotlines at the State level to provide information on program changes. Project areas may also operate hotlines. These hotlines shall be in operation at least 1 week prior to the elimination of the purchase requirement. Hotlines shall be staffed by employees or volunteers who are generally knowledgeable about food stamp requirements and procedures so that accurate information is provided and complaints are referred to the appropriate officials for resolution. Hotline operators shall provide interested callers with the telephone numbers and addresses of local food stamp offices and with information about the information and verification that should be presented at the certification interview. Hotline operators shall not make absolute statements about the caller's eligibility or ineligibility for benefits. Upon request, food stamp application forms shall be mailed to callers. State agencies shall operate an adequate number of telephone lines during normal business hours to ensure that callers have reasonable access to program information. At a minimum, State agencies shall operate one telephone line for caseloads of less than 100,000 participants, two lines for caseloads of between 100,000 and 500,000 participants, three lines for caseloads of between 500,000 and 1 million participants, and four lines for caseloads of over 1 million participants. State agencies may reduce the number of State level lines by substituting project area lines provided that the project area lines meet the minimum requirements contained in this subsection and there is at least one toll-free hotline at the State level. The hotlines may also be used to provide information about other programs administered by the State agency. The hotline number shall be posted in certification offices and included in the printed materials required in paragraph (f)(1)(ii) of this section. In addition, State agencies may publicize the hotline number through radio and TV.

After 3 months of operation under these standards, State agencies which can demonstrate that the minimum number of lines required exceeds the need may request FNS approval to reduce the number of lines.

(4) *Volunteers.* State agencies shall notify groups and organizations identified in outreach plans, as well as other groups and organizations that can assist in contacting low-income households, of the availability of training and of printed materials on the new program requirements. For example, State agencies which expect an influx of migrant farmworkers during the transition period shall contact local farmworkers organizations. State agencies shall provide training and printed materials described in paragraph (f)(1) of this section to interested groups and organizations upon request. Efforts to enlist the assistance of these groups and organizations shall begin at least 1 week prior to the elimination of the purchase requirement. Training and the providing of printed materials shall be completed by 6 months thereafter.

#### § 272.7 Nondiscrimination compliance.

(a) *Requirement.* State agencies shall not discriminate against any applicant or participant in any aspect of program administration, including, but not limited to, the certification of households, the issuance of coupons, the conduct of fair hearings, or the conduct of any other program service for reasons of age, race, color, sex, handicap, religious creed, national origin, or political beliefs. Discrimination in any aspect of program administration is prohibited by these regulations, the Food Stamp Act, the Age Discrimination Act of 1975 (Pub. L. 94-135), the Rehabilitation Act of 1973 (Pub. L. 93-112, sec. 504), and title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d). Enforcement action may be brought under any applicable Federal law. Title VI complaints shall be processed in accord with 7 CFR Part 15.

(b) *Right to file a complaint.* Individuals who believe that they have been subject to discrimination as specified in paragraph (a) of this section may file a written complaint with the Secretary or the Administrator, FNS, Washington, D.C. 20250, and/or with the State agency, if the State agency has a system for processing discrimination complaints. The State agency shall explain both the FNS and, if applicable, the State agency complaint system to each individual who expresses an interest in filing a discrimination complaint and shall advise the individual of the right to file a complaint in either or both systems.

(c) *FNS complaint requirements.* (1) Complaints shall contain the following

information to facilitate investigations:

(i) The name, address, and telephone number or other means of contacting the person alleging discrimination.

(ii) The location and name of the organization or office which is accused of discriminatory practices.

(iii) The nature of the incident or action or the aspect of program administration that led the person to allege discrimination.

(iv) The reason for the alleged discrimination (age, race, color, sex, handicap, religious creed, national origin, or political belief).

(v) The names, titles (if appropriate), and addresses of persons who may have knowledge of the alleged discriminatory acts.

(vi) The date or dates on which the alleged discriminatory actions occurred.

(2) If a complainant makes allegations verbally and is unable or is reluctant to put the allegations in writing, the FNS employee to whom the allegations are made shall document the complaint in writing. Every effort shall be made by the individual accepting the complaint to have the complainant provide the information specified in paragraph (c)(1) of this section.

(3) Complaints will be accepted by the Secretary or the Administrator, FNS, even if the information specified in paragraph (c)(1) of this section is not complete. However, investigations will be conducted only if information concerning paragraph (c)(1) (ii), (iii), (iv) of this section is provided.

(4) A complaint must be filed no later than 180 days from the date of the alleged discrimination. However, the time for filing may be extended by the Secretary.

(d) *State agency complaint requirements.* (1) The State agency may develop and use a State agency complaint system.

(2) The State agency shall submit to FNS a report on each discrimination complaint processed at the State level. The report shall contain as much information in paragraph (c)(1) of this section as is available to the State agency, the findings of the investigation, and, if appropriate, the corrective action planned or taken.

(e) *Reviews.* [Reserved]

(f) *Public notification.* The State agency shall: (1) Publicize the procedures described in paragraphs (b) and (c) of this section, and, if applicable, the State agency's complaint procedures; (2) insure that all offices involved in administering the program and that also serve the public display the nondiscrimination poster provided by FNS; and (3) insure that participants and other low-income households have access to information re-

garding nondiscrimination statutes and policies, complaint procedures, and the rights of participants, within 10 days of the date of a request.

(g) *Data collection.* The State agency shall obtain data on households by racial/ethnic category. The racial/ethnic categories are: American Indian or Alaskan Native, Asian or Pacific Islander, black (not of Hispanic origin), Hispanic, and white (not of Hispanic origin). The State agency may request applicants to identify voluntarily their race or ethnicity on the application form. The application form in these States shall clearly indicate that the information is voluntary, that it will not affect eligibility or the level of benefits, and that the reason for the information is to assure that program benefits are distributed without regard to race, color, or national origin. The State agency shall develop alternative means of providing the racial and ethnic data on households, such as by observation during the interview, when the information is not voluntarily provided by the household on the application form.

(h) *Reports.* As required by FNS, the State agency shall report the racial/ethnic data on participating households on forms provided by FNS.

3. Parts 272 and 273 are revised and redesignated as parts 278 and 279, respectively. The new part 273 reads as follows:

# PART 273—CERTIFICATION OF ELIGIBLE HOUSEHOLDS

Sec.

- 273.1 Household concept.
- 273.2 Application processing.
- 273.3 Residency.
- 273.4 Citizenship and alien status.
- 273.5 Tax dependency.
- 273.6 SSI cash-out States.
- 273.7 Work registration requirement.
- 273.8 Resource eligibility standards.
- 273.9 Income and deductions.
- 273.10 Determining household eligibility and benefit level.
- 273.11 Action on households with special circumstances.
- 273.12 Reporting changes.
- 273.13 Notice of adverse action.
- 273.14 Recertification.
- 273.15 Fair hearings.
- 273.16 Fraud disqualification.
- 273.17 Restoration of lost benefits.
- 273.18 Claims against households.
- 273.19 Sixty day continuation of certification.

AUTHORITY: 91 Stat. 958 (7 U.S.C. 2011-2027).

## § 273.1 Household concept.

(a) *Household definition.* A household may be composed of any of the following individuals or groups of individuals, provided that such individuals or groups are not residents of an institution, except as otherwise specified in

§ 273.1(e), or residents of a commercial boarding house, and provided that separate household status shall not be granted to a spouse, as defined in § 271.2, of a member of the household, or to children under 18 years of age under the parental control of a member of the household:

- (1) An individual living alone;
- (2) An individual living with others, but customarily purchasing food and preparing meals for home consumption separate and apart from the others;
- (3) An individual who is a boarder, living with others and paying reasonable compensation to the others for meals for home consumption;
- (4) A group of individuals living together for whom food is customarily purchased in common and for whom meals are prepared together for home consumption; or
- (5) A group of individuals who are boarders, living with others and paying reasonable compensation to the others for meals for home consumption.

(b) *Nonhousehold members.* The following individuals residing with a household shall not be considered household members in determining the household's eligibility or allotment. Nonhousehold members who are otherwise eligible may participate in the Program as separate households.

- (1) *Roomers.* Individuals to whom a household furnishes lodging, but not meals, for compensation.
- (2) *Boarders.* Individuals to whom a household furnishes lodging and meals with the following restrictions:
  - (i) Boarder status shall not be granted to a spouse, as defined in § 271.2, of a member of the household, or to children under 18 years of age under the parental control of a member of the household.

(ii) Boarder status shall not be extended to persons paying less than a reasonable monthly payment for meals. An individual furnished both meals and lodging by the household, but paying compensation of less than a reasonable amount, will be considered a member of the household which provides the meals and lodging. When the boarder's payments for room are distinguishable from the payments for meals, only the amount paid for meals will be evaluated to determine if reasonable compensation is being paid for meals. The reasonable monthly payment for meals shall be paid in cash. In no event shall food stamps be paid for meals and be credited toward the monthly payment. A reasonable monthly payment shall be either of the following:

- (A) Boarders whose board arrangement is for more than two meals per day shall pay an amount which equals

or exceeds the thrifty food plan for the appropriate size of the boarder household, as specified in the appendix to § 273.10; or

(B) Boarders whose board arrangement is for two meals or less per day shall pay an amount which equals or exceeds two-thirds of the thrifty food plan for the appropriate size of the boarder household.

(3) *Live-in-attendants.* Individuals who reside with a household to provide medical, housekeeping, child care or other similar personal services.

(4) *Ineligible aliens.* Individuals who do not meet the citizenship or eligible alien status in § 273.4(a).

(5) *SSI recipients in "cash-out" States.* Recipients of SSI benefits who reside in a State designated by the Secretary of Health, Education, and Welfare to have specifically included the value of the coupon allotments in its State supplemental payments.

(6) *Student tax dependents.* Students who are or could be properly claimed as tax dependents for Federal income tax purposes by a member of a household which is not eligible to participate in the food stamp program, in accordance with § 273.5.

(7) *Disqualified individuals.* Individuals disqualified for fraud, as set forth in § 273.16, or college students disqualified for failure to meet the school year work registration requirements as set forth in § 273.7(b)(9)(i).

(8) *Others.* Other individuals who share living quarters with the household but who do not customarily purchase food and prepare meals with the household. For example, if the applicant household shares living quarters with another family to save on rent, but does not purchase and prepare food together with that family, the members of the other family are not members of the applicant household.

(c) *Boarding house.* Residents of commercial boarding houses are not eligible for program benefits. For program purposes, a boarding house shall be defined as an establishment which is licensed as a commercial enterprise which offers meals and lodging for compensation. In project areas without licensing requirements, a boarding house shall be defined as a commercial establishment which offers meals and lodging for compensation with the intention of making a profit. The number of boarders residing in a boarding house shall not be used to determine if a boarding house is a commercial enterprise. The household of the proprietor of a boarding house may participate in the Program separate and apart from the residents of the boarding house, if that household meets all of the eligibility requirements for program participation.

(d) *Head of household.* State agencies may designate the head of house-